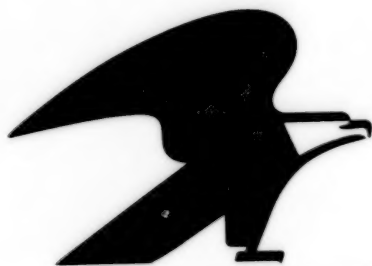


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ANNUAL REPORT
OF THE
POSTMASTER GENERAL

FISCAL YEAR 1992

pa

*" Our customers depend on us as
much as we depend on them.
Every employee has to treat every
piece of mail as if the fate of the
Postal Service hinged on its timely
and correct delivery ..."*

Marvin Runyon



MARVIN RUNYON
CHIEF EXECUTIVE OFFICER, PMG

UNITED STATES POSTAL SERVICE
475 L'ENFANT PLAZA SW
WASHINGTON DC 20260-0010

TO THE GOVERNORS AND CONGRESS:

If I had to pick one word to describe the Postal Service in 1992, that word would be "change."

That process began in July, after I traveled nationwide and had the opportunity to talk with postal customers, employees, unions, and management associations about how the Postal Service could improve its performance.

From that dialogue, one message became clear: The Postal Service needed to refocus its energies to satisfy and respond to the needs of customers. If the Postal Service were going to succeed in revolutionizing the way it did business, then the change would have to be customer-based and customer-driven.

To meet this challenge, we developed a 120-day plan to make the Postal Service more businesslike, setting three specific goals to:

- reduce layers of bureaucracy and postal overhead, starting at the top;
- improve service quality and customer satisfaction; and,
- hold postal rates steady by eliminating the projected \$2 billion deficit for 1993.

With help from customers, employees, unions, and management associations, we have taken some important steps to make the Postal Service more businesslike and competitive, efforts that industry observers have described as the most sweeping changes in federal government since the Eisenhower days.

We have built a new management structure — one that is leaner, flatter, and better focused on meeting customer needs.

We have improved our financial standing substantially — turning a break-even situation in 1992 into a \$474 million surplus, before making a one-time \$1 billion adjustment for early retirement expenses arising from our restructuring effort. At year's end, we are in good position to wipe out the expected 1993 deficit of \$2 billion and keep current postage rates stable for a historic fourth year — through 1994.

And, most importantly, we have succeeded in improving service quality. We have reached out to customers with expanded retail hours, more convenient acceptance procedures, and plans for new products they have requested.

I want to recognize the efforts of all postal employees in 1992 to improve our performance and build our hopes for the future. I look forward to continued improvement in 1993 and future years as we work together to make the Postal Service more accountable, credible, and competitive.

Marvin Runyon



ACCOUNTABILITY

Although postage remains a bargain for the American people, its impact on the costs of large business mailers is significant. Holding rates stable, therefore, is key to building the mail business.

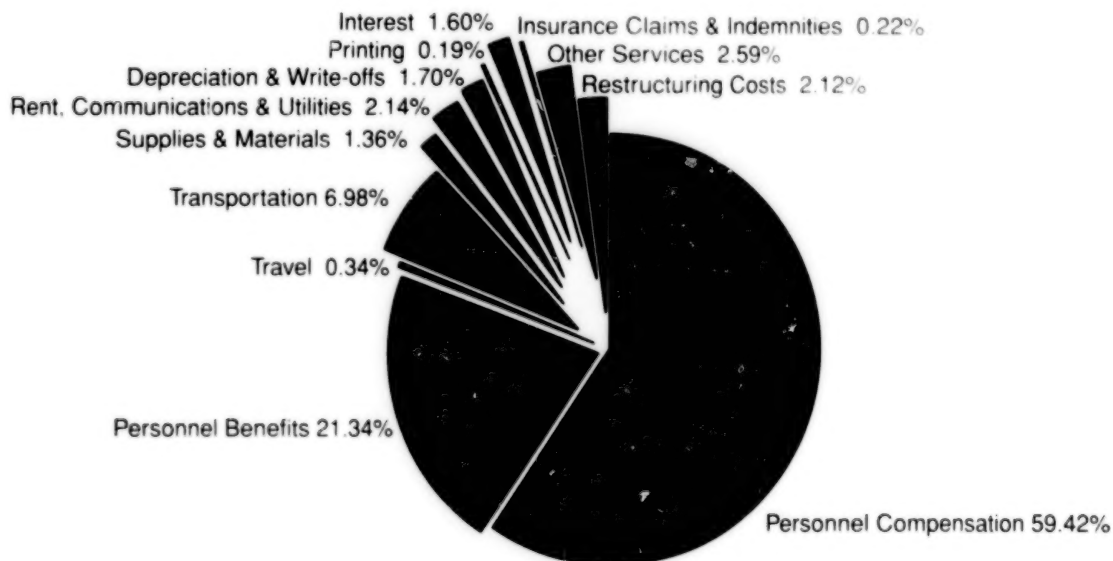
In the last 17 years, however, the basic First-Class postage rate has increased an average of 6.8 percent per year. Increases of this magnitude have severely tested the Postal Service's accountability as a supplier of quality service, reliability, and value for the dollar.

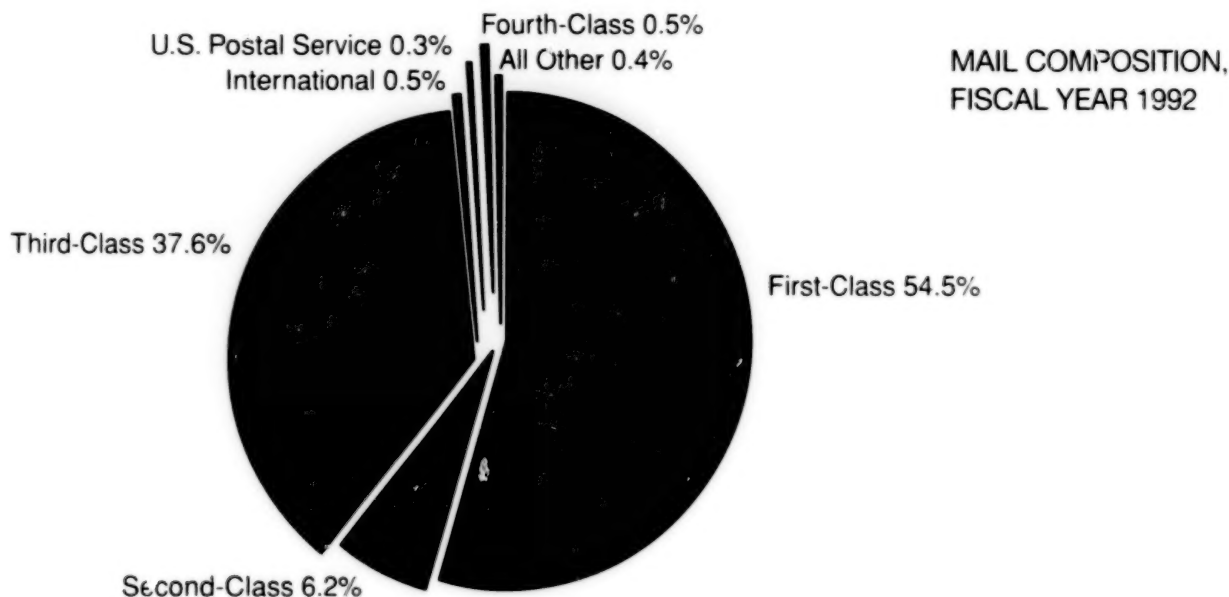
In July, it appeared that the "traditional" three-year rate cycle would repeat itself. The Postal Service was concerned about breaking even in 1992. It faced a potential deficit of \$2 billion in 1993 and, given that, the prospect of a significant rate increase in 1994, including a possible 35-cent stamp.

That is no longer the case.

Thanks to the efforts of postal employees to control costs, the Postal Service has made great progress in reducing expenses and eliminating spending on

ANALYSIS OF EXPENSES, FISCAL YEAR 1992





programs and plans not crucial to delivering the mail or serving customers.

As a result, Fiscal Year 1992 financial reports show an income of \$474 million, before factoring in restructuring costs. A \$1.01 billion accounting adjustment to reflect restructuring costs turns the income into a net loss of \$536 million. However, overhead reductions this year will save the Postal Service more than \$800 million in 1993, and about \$1.4 billion annually beginning in 1994.

But the renewed focus on cost control will go well beyond work force reductions and postal restructuring. It includes reduced spending for many headquarters programs, exploring ways to generate more revenue, and paying particular attention to automation and other operating efficiencies that will help stabilize rates and restrain the size and frequency of rate increases. At headquarters, initial cost controls led to program budget reductions of approximately \$264 million.

The Postal Service also extended its financial initiatives to explore the conversion of its 20 million check payments per year from Treasury checks to commercial bank checks to better control its cash, process disbursements more efficiently, and realize the full return on funds until they clear the banking system.



This overall effort to contain costs and benefit customers continued in November with the refinancing of some \$4.5 billion of debt at an average interest rate of 6.6 percent — down from 8.8 percent — which will reduce interest expense by \$56 million next year and \$2.2 billion over 20 years.

Innovative approaches are being taken to address the issues of automation and technology as well.

The Postal Service recognizes that the automation plan is a good, solid program and remains committed to its vision of working with business customers to barcode virtually all letter mail. However, the approach to automation and technology will change.

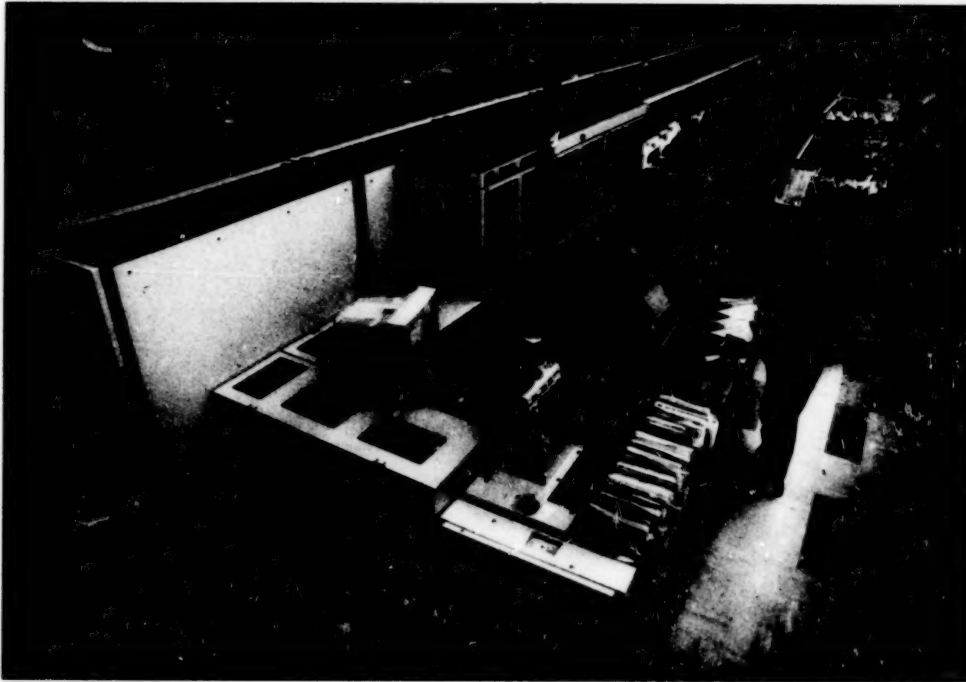
Based on its current financial position, the availability of emerging technologies, and the forecast of modest volume growth, the Postal Service will rely more on partnerships with private industry and less on developing prototype equipment independently.

This means the Postal Service will focus more on updating existing technology and less on exploratory projects and new equipment. This will allow the Postal Service to keep pace with rapid changes in technology but avoid buying equipment that becomes obsolete before it is deployed.

Combined, these continued efforts have placed the Postal Service in a good position to break even in 1993 and to extend current rates through at least 1994.

But there is still one hurdle to clear.

Despite the strong concern expressed by the Postal Service, Congress passed the Fiscal Year 1993 Treasury-Postal Service appropriations bill, signed into law by the President, reimbursing the Postal Service only \$122 million of the \$482 million necessary to deliver mail at free or reduced rates for various nonprofit organizations and other special-category mailers. In addition, Congress directed the Postal Service not to adjust rates, as provided by law, to recover the shortfall.



The Postal Service recognizes that the automation plan is a good, solid program and remains committed to its vision of working with business customers to barcode virtually all letter mail.

In 1993, this action will cost postal ratepayers \$360 million and follows 1991 and 1992 Congressional appropriations which postponed a total of \$156 million in revenue forgone. The cumulative total now amounts to more than a half-billion dollars and, coupled with next year's requirements, becomes a \$1 billion obligation.

Nevertheless, the Postal Service is poised to hold postage rates steady through 1994 and to make history — extending the rate cycle four years in a row for the first time since becoming a self-sufficient organization two decades ago.

With that accomplishment, and the continuing commitment of employees to provide quality service, the Postal Service will be well on its way toward establishing its greater accountability to the American public and generating the customer satisfaction needed to build its business and ensure a healthy future.



CREDIBILITY

After more than 200 years of enjoying what appeared to be a comfortable monopoly, the Postal Service recognizes that its credibility with customers will suffer if it is not responsive to their needs.

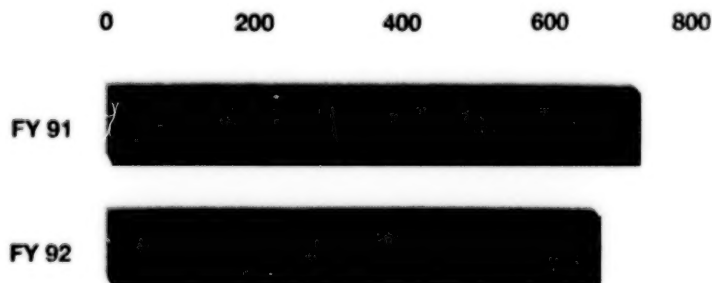
Developed in what has been the Postal Service's most challenging period since postal reorganization in 1971, the new postal structure reduces duplication of effort and layers of decision-making bureaucracy and realigns resources to focus better on customer needs.

Specifically, the new structure reduced senior management at headquarters by 43 percent, from 42 officers to 24. Administrative support at postal headquarters was trimmed 33 percent to 1,683 employees, while Postal Career Executive Service positions were pared by 55 percent, or some 631 positions. In addition, approximately 30,000 overhead positions are being eliminated nationwide, after more than 47,000 postal employees took advantage of special retirement incentives offered through November 20.

TOTAL CAREER COMPLEMENT, FISCAL YEAR 1992

(In thousands)

During Fiscal Year 1992, the number of career employees dropped 3.2 percent to 725,290. Overhead reductions this year will save the Postal Service more than \$800 million in 1993 and about \$1.4 billion annually beginning in 1994.





The new structure places an important new focus on the customer, pinpoints management accountability, and better balances resources between the distribution, transportation, and delivery of the mail.

The field management structure also was simplified and streamlined.

At postal headquarters, the 12 vice presidents of corporate staff offices report directly to the Postmaster General and set policies in all areas to maintain consistency throughout the Postal Service. One new function, that of Diversity Development, will educate all employees about the importance of respecting the many cultural perspectives shared by employees and customers. This will allow the Postal Service to better tap the talents of all employees to improve its service and responsiveness to unique customer needs.

Support for field operations is provided by the corporate staff and nine other vice presidents who report directly to the Chief Operating Officer/Executive Vice President. (See organizational chart on pages 16 - 17.)



Customer focus will be enhanced through three functions reporting to the Chief Operating Officer and supported by the remainder of the organization.

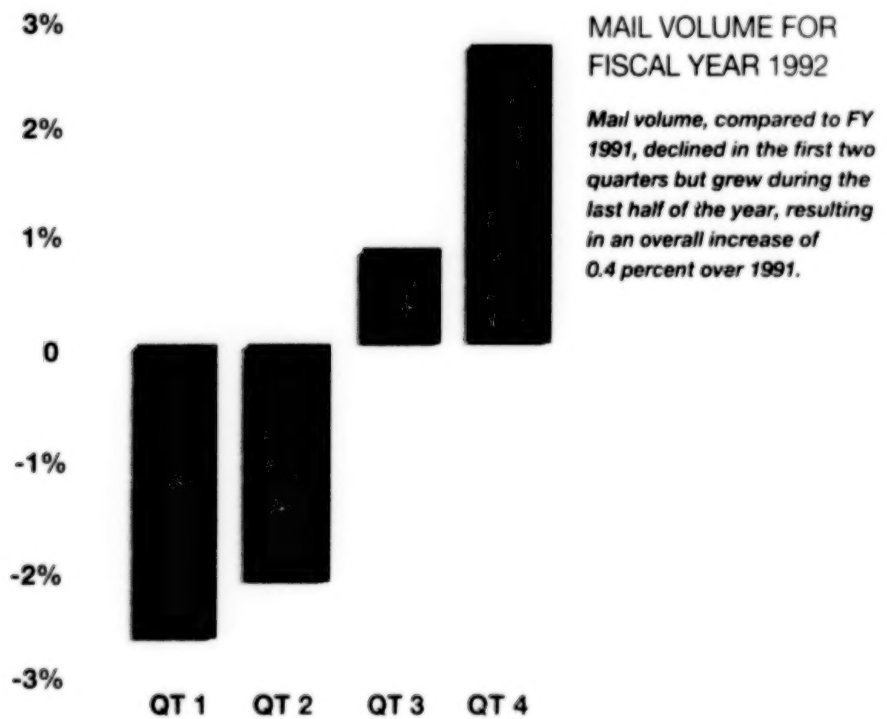


Customer focus will be enhanced through three functions reporting to the Chief Operating Officer and supported by the remainder of the organization. They are:

- Customer Services, which oversees 10 area offices and 85 customer services districts focused on delivering the mail and providing top quality business mail acceptance and retail services. Nearly 40,000 post offices, stations, and branches also will report to these units.
- Marketing and Sales, which is responsible for keeping postal products and services focused on meeting customer needs. It will oversee product and service design, pricing, market research, mailing standards, advertising and promotion, and relationships with major customers.

- Processing and Distribution, which manages 10 area offices and 349 mail processing plants focused on mail processing, distribution, and transportation. These include Processing and Distribution Centers, Bulk Mail Centers, and Airport Mail Facilities.

The new structure places an important new focus on the customer, pinpoints management accountability, and better balances resources among the distribution, transportation, and delivery of the mail.





COMPETITIVENESS

With its new corporate structure and resources focused to respond to customer needs, the Postal Service is revitalizing its competitiveness to grow profitably in the communications business.

Fully 50 percent of the Postal Service's mail volume and revenue sources are subject to some degree of direct competitive threat.

To improve its competitiveness, the Postal Service this year assembled a Competitive Services Task Force, made up of mailing industry leaders and postal officials, to identify ways in which the Postal Service could become more competitive. More than half of the 160 recommendations included in the task force's report already have been implemented, and many more are being pursued.

The Postal Service also took major steps toward improving customer satisfaction with the expansion of Postal Business Centers. Designed to reach small- and medium-sized businesses, the centers offer customized service regarding automated mailing systems and postal products and services.

A Bulk Small Parcel Service, submitted to the Postal Rate Commission for approval, will increase Postal Service competitiveness in the parcel shipping market and improve its lineup of parcel services.

Under an agreement reached with the Postal Buddy Corporation this year, more than 10,000 "Postal Buddy" kiosks will be deployed nationwide over the next four years. Terminals will allow customers to electronically file address changes, significantly reducing Postal Service costs associated with handling some 40 million change-of-address notices each year.



In August, areas of South Florida and Louisiana were devastated by Hurricane Andrew — the worst natural disaster ever to hit the United States. Three weeks later, Hurricane Iniki blasted the Hawaiian island of Kauai.

In the face of adversity, employee spirit, pride, and dedication triumphed to maintain essential postal services under the most extraordinary circumstances.

In May, three days of rioting in Los Angeles following the Rodney King court decision closed 11 postal or contract stations serving 17 ZIP Code areas. In August, areas of South Florida and Louisiana were devastated by Hurricane Andrew — the worst natural disaster ever to hit the United States. Three weeks later, Hurricane Iniki blasted the Hawaiian island of Kauai.

To reduce hardship on customers in communities where street delivery was impossible, postal employees — many of whom also had their homes damaged or destroyed — handed out hundreds of thousands of pieces of mail to area residents who showed up at temporary post offices.

Even during more normal times, postal employees nationwide seemed to work minor miracles to process and deliver more than 550 million pieces of mail each day.



During the holiday mailing season... lobby directors in 7,200 post offices assisted customers during busy periods, while 5,200 offices nationwide extended their retail hours — some opening their doors for the first time on Saturdays and Sundays.



But the Postal Service cannot rely only on its own perceptions of service levels and customer satisfaction.

The Postal Service independently measures First-Class Mail delivery and — through its Customer Satisfaction Index (CSI) — assesses overall customer satisfaction with a wide range of services. The CSI allows managers to assess customer satisfaction and identify problem areas at an operational level each quarter.

During the holiday mailing season, an aggressive “We Deliver For Yule” campaign conveyed the Postal Service’s renewed commitment to customer service and satisfaction. Lobby directors in 7,200 post offices assisted customers during busy periods, while 5,200 offices nationwide extended their retail hours — some opening their doors for the first time on Saturdays and Sundays.

Extending customer service outside postal lobbies, the Postal Service completed tests of stamp sales at more than 400 automated teller machine (ATM) locations. That program is available to banks nationwide and provides customers with a convenient way to get stamps 24 hours a day, 365 days a year.

As the Postal Service strives to improve existing products, services, and customer satisfaction, it does so knowing that it also must build stronger partnerships among its work force — changing the corporate culture.

The Postal Service is accomplishing this, first, by opening lines of communications with its employees — seeking their ideas and suggestions — and then listening.

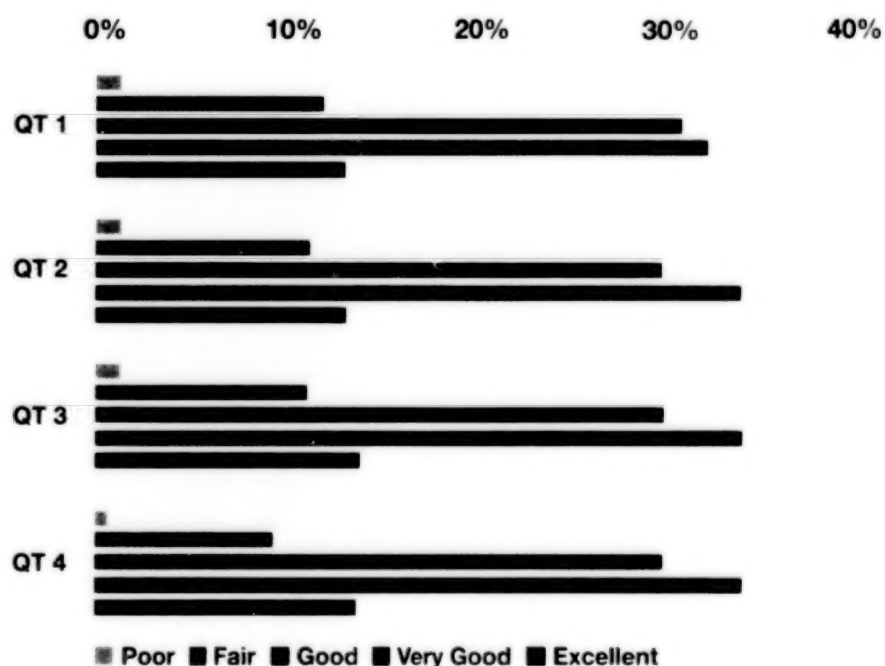
Second, by involving all workers in the decision-making process, and recognizing each employee's values and skills, the new structure empowers employees to correct errors and improve performance.

And, third, the Postal Service is examining its goal-setting and performance-evaluation processes. New standards of excellence, and the criteria for rewarding them, will be tied to a participative process — with input and buy-in from all employees — that promotes customer service as the most important goal.

The Postal Service will know it has succeeded when customers ask for its services — not the competition's — and when quality, competitiveness, and value come to mind each time they think of the Postal Service.

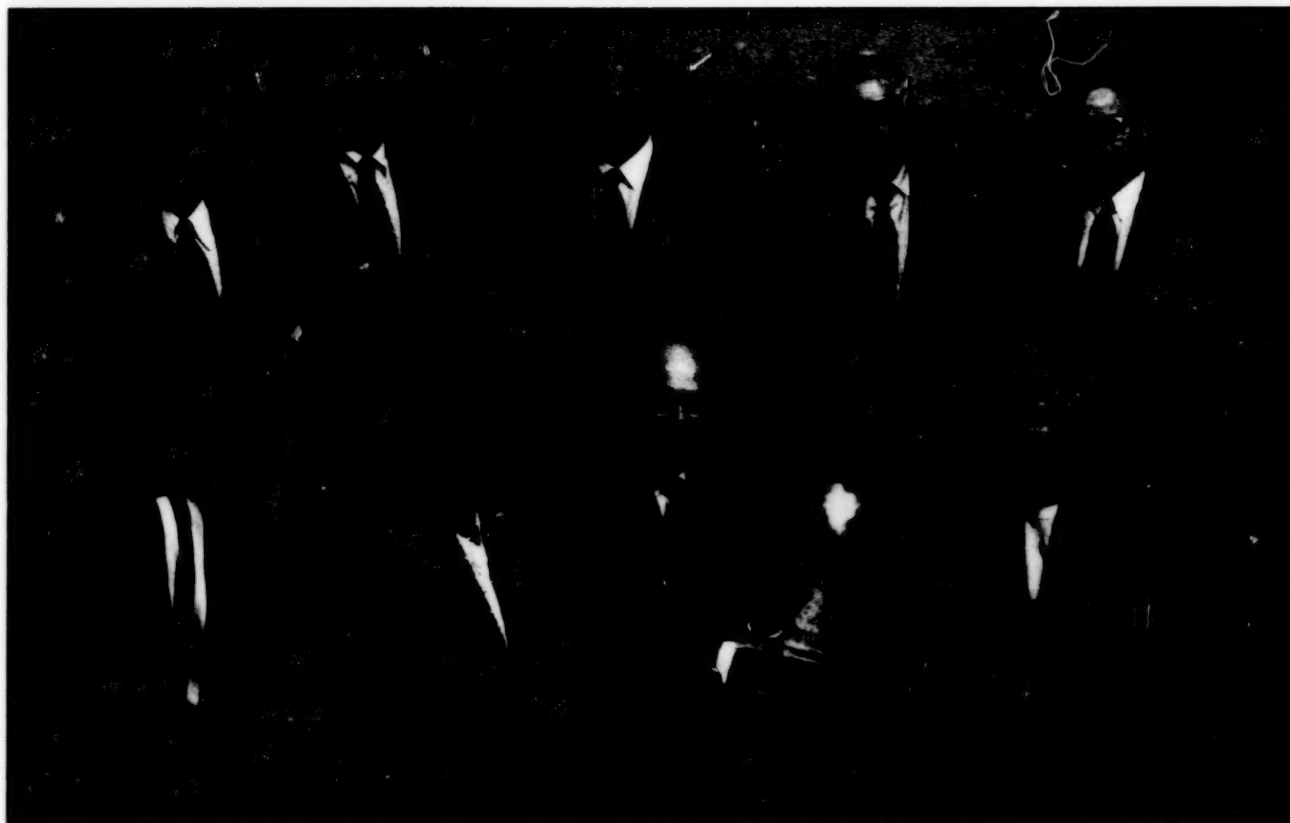
CUSTOMER SATISFACTION INDEX, FISCAL YEAR 1992

In Postal Quarter 4, 87 percent of the households nationwide rated their overall experiences with the Postal Service as "excellent," "very good," or "good." That was an improvement of two percentage points over the same period last year.





GOVERNORS OF THE UNITED STATES POSTAL SERVICE



Above seated left to right:
Susan E. Alvarado, LeGree S. Daniels, John N. Griesemer, Norma Pace. **Standing:**
Robert Setrakian, Bert H. Mackie, J. Sam Winters, Crocker Nevin, Tirso del Junco, M.D.

Norma Pace, *Chairman of the Board of Governors*, is an economist and consultant to several major corporations. She is President of Economic Consulting and Planning, Inc., an economic counseling and strategic planning firm. She is the author of numerous articles for business publications on forecasting and the use of forecasting in business planning. She was appointed to the Board in May 1987 for a term expiring in December 1994.

John N. Griesemer, *Vice Chairman of the Board of Governors*, is President of the Griesemer Stone Company and General Warehouse Corporation, Springfield, MO. He became a Governor in December 1984 for a term that expired December 8, 1986. He was reappointed, without a break in service, to a full term, expiring in December 1995. He was selected Chairman of the Board in January 1987 and served two years.

Susan E. Alvarado, Vice President of Operations, Akmer International, Inc., an Alexandria, VA based exporter/importer and fabricator of marble and granite, was appointed in July 1988 to serve on the Board for a term expiring in December 1996. Prior to joining Akmer, she was President of the Alvarado Group, a Washington, D.C., government relations firm. Formerly Assistant for Legislative Affairs to Assistant Minority Leader Senator Ted Stevens of Alaska — and subsequently to Vice President George Bush — she later served as Vice President for Congressional Liaison for the National Association of Broadcasters.

LeGree S. Daniels, a noted civil rights activist, was appointed to the Board in August 1990 for a term expiring in December 1998. She served as the U.S. Department of Education's Assistant Secretary for Civil Rights from 1987 to 1989. Previously, she served as Deputy Secretary of the Commonwealth of Pennsylvania.

Tirso del Junco, M.D., a Los Angeles surgeon and entrepreneur, was appointed to the Board in July 1988 for a term that expired in December 1991. He was reappointed, without a break in service, to a full term, expiring in December 2000. He founded and served as Chairman of the Board of the Los Angeles National Bank and now serves as a member of the Board of Regents of the University of California.

Bert H. Mackie, President of the Security National Bank of Enid, OK, was appointed to serve on the Board on December 9, 1988. His term will expire in December 1997. He is an ardent supporter of quality education and is a trustee of the Oklahoma Foundation for Excellence.

Crocker Nevin became a Governor in August 1986 and served the remainder of a term expiring in December 1992. He previously served on the Board of Governors from 1971 to 1977. He has an extensive background in banking, finance, and community service. As provided by law, he will continue to serve on the Board for up to one year or until a successor is appointed by the president and confirmed by the Senate.

Robert Setrakian, a San Francisco businessman, was appointed to the Board in December 1985 for a term expiring in December 1993. He previously served as Chairman of the Board of Governors from January 1989 to January 1991. He was a Commissioner of the Federal Maritime Commission from 1983 to 1985.

J. Sam Winters, a partner in the law firm of Clark, Thomas, Winters, and Newton in Austin, TX, was appointed to serve on the Board November 26, 1991, for a term expiring in December 1999. He was Chairman of the Texas Research League in 1990 and 1991, is a member of the Board of Directors of the First Interstate Bank of Texas, and is a member of the Development Board of the University of Texas in Austin.

Also members of the Board of Governors:

Marvin Runyon was named 70th Postmaster General of the United States on May 5, 1992, by the nine presidentially appointed members of the Board of Governors. He assumed his new responsibilities on July 6, after serving since 1988 as Chairman of the Board of the Tennessee Valley Authority (TVA). Before going to TVA, he had served since 1980 as President and Chief Executive Officer of Nissan Motor Manufacturing Corporation U.S.A.

Michael S. Coughlin, a career postal employee, was appointed Deputy Postmaster General in January 1987, after holding a series of top-level postal management positions. He served this year as acting Postmaster General prior to Mr. Runyon's arrival. Because of a vacancy in the position of Vice President of Finance and Planning, Mr. Coughlin also has served as Chief Financial Officer.

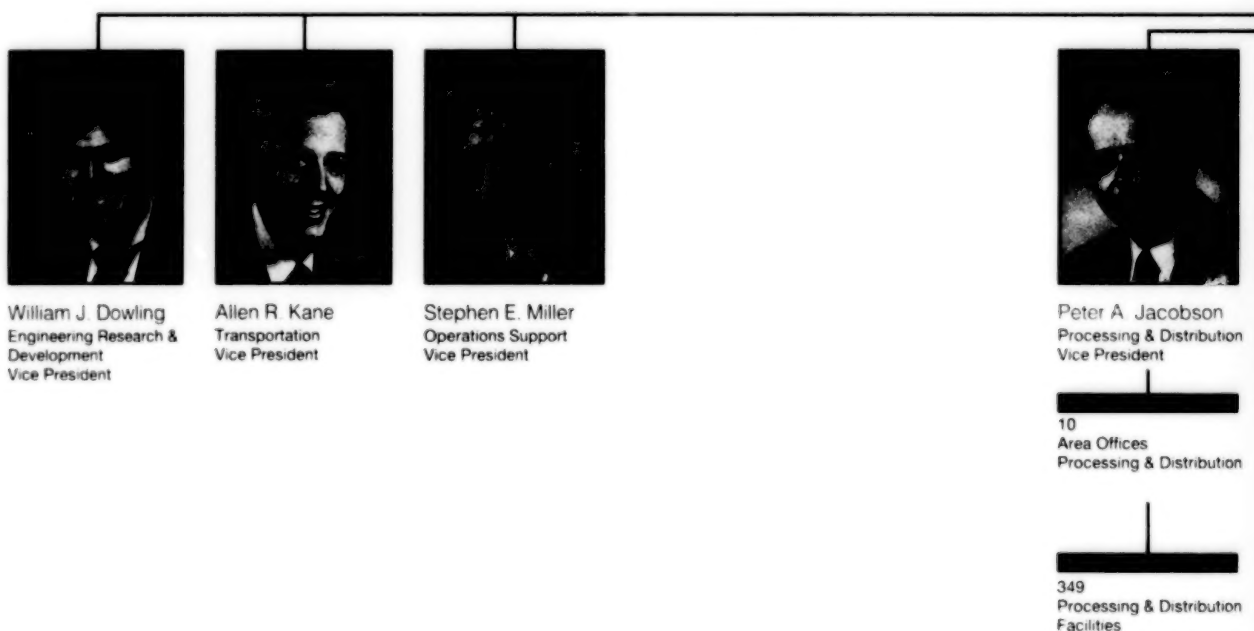
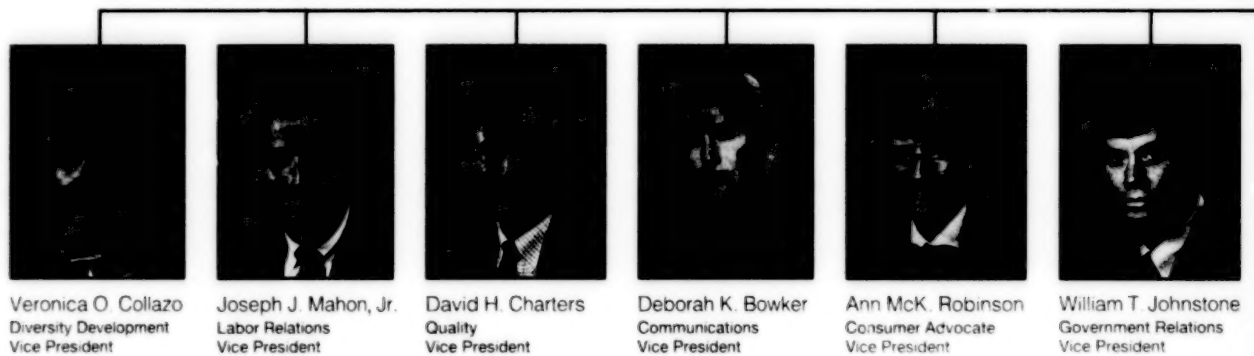
Changes during the year:

Anthony M. Frank served as the nation's 69th Postmaster General until March 25, 1992, when he resigned to return to the private sector.

Ira D. Hall, whose term expired in December 1990, continued serving on the Board until November 25, 1991, as provided by law.



ORGANIZATIONAL CHART





Marvin Runyon
Postmaster General
Chief Executive Officer



Michael S. Coughlin
Deputy Postmaster General



Joseph R. Caraveo
Chief Operating Officer
Executive Vice President



Kenneth J. Hunter
Chief Inspector



Mary S. Elcano
General Counsel
Vice President



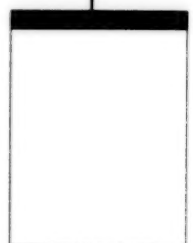
James A. Cohen
Judicial Officer



William J. Henderson
Employee Relations
Vice President



Richard D. Weirich
Information Systems
Vice President



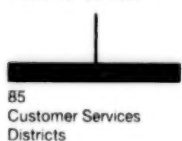
(Vacant)
Finance & Planning
Vice President



(Vacant)
Marketing & Sales
Vice President



Samuel Green, Jr.
Customer Services
Vice President



Patricia M. Gibert
Customer Service
Support
Vice President



Mitchell H. Gordon
Facilities
Vice President



Darrah C. Porter
Purchasing
Vice President



NATIONAL AREA MAP



**PROCESSING AND DISTRIBUTION
AREA MANAGERS**

ALLEGHENY AREA

Robert J. Sheehan
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FAX: (303) 391-5002



FINANCIAL STATEMENTS

Summary Balance Sheets

United States Postal Service

	September 30, 1992	September 30, 1991
	(dollars in thousands)	
Assets		
Current assets		
Cash and cash equivalents	\$ 335,105	\$ 711,035
U.S. Government securities, at cost	4,514,054	3,196,694
Receivables, net	784,923	656,573
Supplies, advances and prepayments	393,297	298,966
Total current assets	6,027,379	4,863,268
Other assets, principally supplemental appropriations receivable	160,791	96,583
Property and equipment, at cost		
Buildings	9,481,162	8,401,231
Equipment	6,450,687	5,632,196
Land	1,649,050	1,491,820
	17,580,899	15,525,247
Less allowances for depreciation	5,393,301	4,844,600
	12,187,598	10,680,647
Construction in progress	2,265,387	2,206,249
Leasehold improvements, net of amortization	243,470	221,761
	14,696,455	13,108,657
Deferred retirement costs	26,780,085	25,196,942
	<u>\$47,664,710</u>	<u>\$43,265,450</u>

	September 30, 1992	September 30, 1991
	(dollars in thousands)	
Liabilities and Net Capital Deficiency		
Current liabilities		
Compensation and benefits	\$ 3,280,632	\$ 3,138,684
Accrued restructuring costs	1,010,000	-
Estimated prepaid postage	1,501,000	1,496,000
Payables and accrued expenses	1,226,563	910,643
Prepaid permit mail and box rentals	1,045,400	978,760
Outstanding postal money orders	632,703	573,969
Current portion of long-term debt	<u>750,785</u>	<u>302,048</u>
Total current liabilities	9,447,083	7,400,104
Long-term debt, less current portion	9,173,294	8,138,375
Other liabilities		
Amounts payable for retirement benefits	25,717,078	24,242,503
Workers' compensation costs	4,080,000	3,521,000
Retroactive assessment payable to the U.S. Government	1,088,936	1,397,082
Employees' accumulated leave	1,310,692	1,195,712
Other	<u>130,743</u>	<u>117,610</u>
	32,327,449	30,473,907
Net capital deficiency		
Capital contributions of the U.S. Government	3,033,753	3,033,471
Deficit since reorganization	(6,316,869)	(5,780,407)
Total net capital deficiency	<u>(3,283,116)</u>	<u>(2,746,936)</u>
	<u>\$47,664,710</u>	<u>\$43,265,450</u>



Statements of Operations and Changes in Net Capital Deficiency

United States Postal Service

	Years Ended September 30,	
	1992	1991
	(dollars in thousands)	
Operating revenue	\$46,695,800	\$43,884,472
Operating expenses		
Compensation and benefits	38,391,021	36,076,230
Other	<u>7,520,848</u>	<u>7,214,553</u>
	<u>45,911,869</u>	<u>43,290,783</u>
Income before interest, restructuring costs, and extraordinary retroactive assessment	783,931	593,689
Interest income	409,196	317,763
Interest expense on borrowings	(638,157)	(479,417)
Imputed interest on retroactive assessment for employee benefits	(<u>81,432</u>)	(<u>90,507</u>)
Income before restructuring costs and extraordinary retroactive assessment	473,538	341,528
Restructuring costs	(1,010,000)	-
Extraordinary retroactive assessment for employee benefits	<u>-</u>	(<u>1,810,142</u>)
Net loss	(536,462)	(1,468,614)
Net capital deficiency — beginning of year	(2,746,936)	(1,277,666)
Capital equipment transfers from (to) the U.S. Government	<u>282</u>	(<u>656</u>)
Net capital deficiency -- end of year	<u>(\$ 3,283,116)</u>	<u>(\$ 2,746,936)</u>

Financial and Operating Highlights

	Year Ended Sept. 30, 1992	Year Ended Sept. 30, 1991	Year Ended Sept. 30, 1990	Year Ended Sept. 30, 1989	Year Ended Sept. 30, 1988
Pieces of mail (millions)	166,443	165,851	166,301	161,603	160,954
Percent change	0.4	-0.3	2.9	0.4	4.6
<i>(dollars in millions)</i>					
Revenue from operations	\$46,151	\$43,323	\$39,201	\$37,979	\$35,036
Percent change	6.5	10.5	3.2	8.4	11.1
Public service appropriation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenue forgone appropriation*	\$ 545	\$ 562	\$ 453	\$ 436	\$ 517
Percent change	-3.1	24.1	3.9	-15.6	-20.5
Total operating expenses	\$45,912	\$43,291	\$40,490	\$38,371	\$36,119
Percent change	6.1	6.9	5.5	6.2	11.1
Net interest (expense) income	(\$ 310)	(\$ 253)	(\$ 38)	\$ 17	(\$ 31)
Operating income (loss), net of interest	\$ 474	\$ 341	(\$ 874)	\$ 61	(\$ 597)
Extraordinary retroactive assessment - OBRA 1990	-	(\$ 1,810)	-	-	-
Restructuring costs	(\$ 1,010)	-	-	-	-
Net (loss) income	(\$ 536)	(\$ 1,469)	(\$ 874)	\$ 61	(\$ 597)
Fixed assets (net of depreciation)**	\$14,696	\$13,109	\$11,523	\$10,336	\$ 9,537
Percent change	12.1	13.8	11.5	8.4	14.3
Net capital deficiency	(\$ 3,283)	(\$ 2,747)	(\$ 1,278)	(\$ 402)	(\$ 460)
<i>(in units indicated)</i>					
U.S. resident population January 1 estimate (in millions)***	253.6	250.9	248.2	245.7	243.5
Percent change	1.1	1.1	1.0	1.0	0.9
Pieces of mail per capita	656	661	670	658	661
Percent change	-0.8	-1.3	1.8	-0.5	3.6
Operating revenue per capita	\$ 181.98	\$ 172.68	\$ 157.96	\$ 154.55	\$ 143.89
Percent change	5.4	9.3	2.2	7.4	10.1
Operating expense per piece of mail	27.58¢	26.10¢	24.35¢	23.74¢	22.44¢
Percent change	5.7	7.2	2.6	5.8	6.2
Operating revenue per piece of mail	27.73¢	26.12¢	23.57¢	23.50¢	21.77¢
Percent change	6.2	10.8	0.3	7.9	6.3
Net (loss) income per piece of mail	(0.32¢)	(0.89¢)	(0.53¢)	0.04¢	(0.37¢)
Career employees	725,290	748,961	760,668	777,715	779,083
Percent change	-3.2	-1.5	-2.2	-0.2	1.8

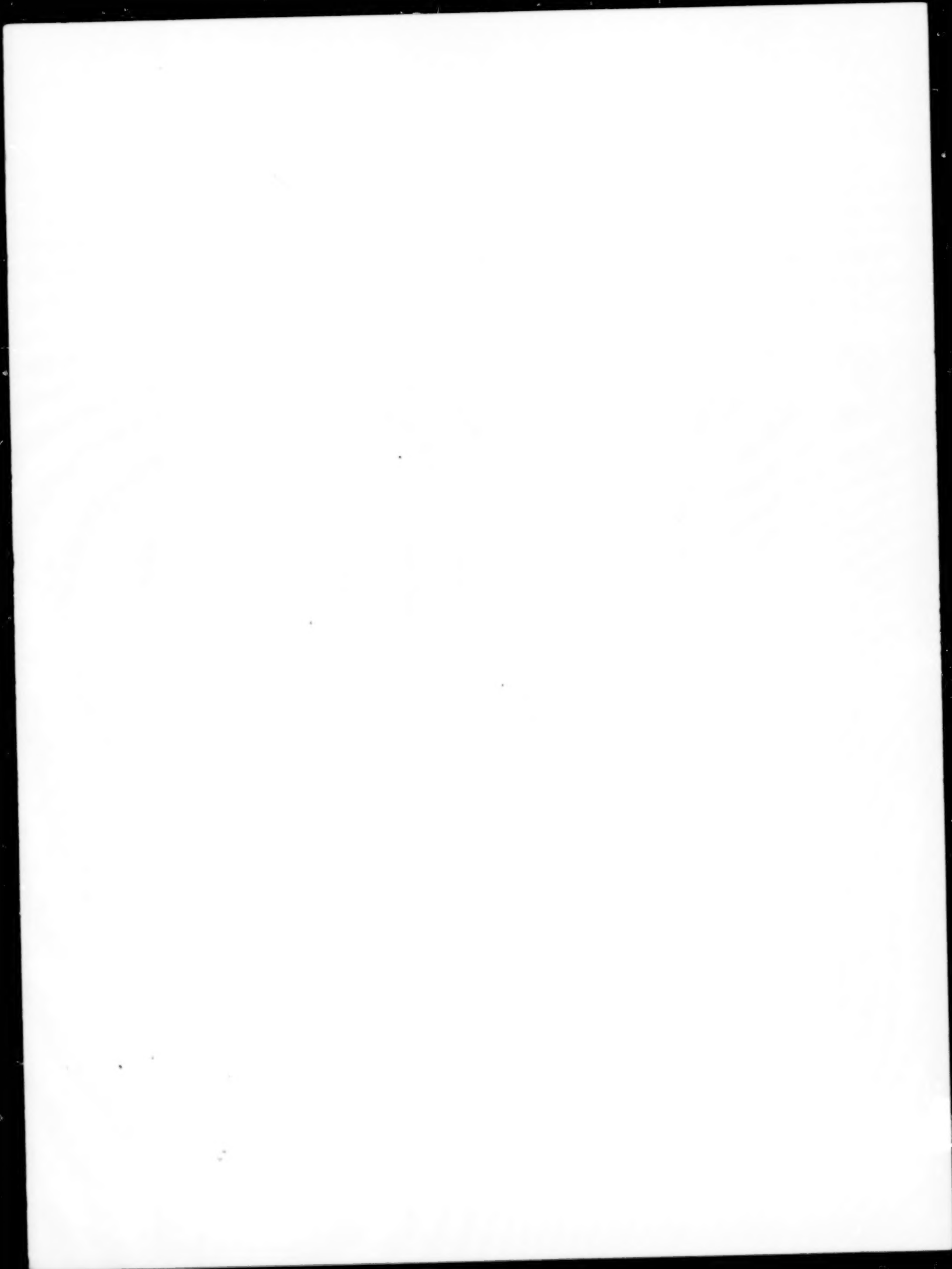
* Revenue forgone is that revenue given up or "forgone" by the Postal Service as a result of providing mail service at a reduced rate in accordance with Congressional statute. This revenue loss is reimbursed to the Postal Service by an annual appropriation of Congress, as specified in the 1970 Postal Reorganization Act.

** Fiscal Year 1988-1991 data recast to include construction in progress.

*** 1988-1990 data recast to reflect 1990 census information.



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END

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